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FINANCING OF THE UNITED NATIONS ANGOLA VERIFICATION MISSION

Financing of the United Nations Observer Mission in Angola

Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the reports of the Secretary-General contained in document A/51/494/Add.3 on the financial performance of the United Nations Angola Verification Mission (UNAVEM III) and documents A/52/385 and Corr.1 on the financing of the United Nations Observer Mission in Angola (MONUA) for the period from 1 July 1997 to 30 June 1998. During its consideration of the reports, the Advisory Committee met with representatives of the Secretary-General, who provided it with clarifications and additional information.

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2. The financial performance report for UNAVEM III for the period from 1 January to 30 June 1996 (A/51/494/Add.3) provides for total expenditures of $160.2 million gross, compared with total resources of $179.1 million gross, leaving an unencumbered balance of $18.9 million gross. According to the Secretary-General, the unencumbered balance is largely attributable to the lower number of military and civilian personnel deployed during the period. In addition, there were reduced requirements under infrastructure repairs; transport, air and naval operations; supplies and services; mine-clearing programmes; and assistance for disarmament and demobilization.

3. As can be seen from annex I to the performance report (A/51/494/Add.3), overall underexpenditures were offset in part by overruns under rental of premises and vehicles, communications, other equipment, assistance to

demobilized military forces and air and surface freight. The Advisory Committee notes from the supplementary explanation provided in part B of annex II to the performance report that the Secretary-General classifies all overruns either as "additional requirements" or "unbudgeted requirements". Upon request for clarification, the Advisory Committee was informed that while "additional requirements" meant an increase over amounts included in the approved budget, "unbudgeted requirements" reflected expenditures recorded in the absence of approved budgetary provisions.

4. The Advisory Committee is concerned about the excessive number of budget requests (19 in all) and the related significant expenditures incurred under various budget lines where no requirements had been previously planned or identified in budget proposals submitted by the Secretariat. For example, included in the performance report as "unbudgeted requirements" are $2,463,500 under transport of contingent-owned equipment and $1,569,000 under rental of vehicles. The Advisory Committee's analysis of "unbudgeted requirements" included in the performance report shows that most of them were quite foreseeable and should have been, as such, included in the related previous budget submissions. The magnitude of amounts of "unbudgeted requirements" and their number indicate, in the opinion of the Advisory Committee, poor planning and budgeting. The Advisory Committee recommends that necessary measures be taken to reduce significantly incidents of such expenditures.

5. Paragraphs 1 to 12 of annex II.B to the performance report contain an explanation of variances in budget implementation under budget line 1, Military personnel costs. As can be seen from the explanation, the bulk of the net overall savings of $9,467,100 under this budget line is attributable primarily to the lower number of troops and their rotation during the period. The Advisory Committee points out that the performance report should have provided information on substantive reasons for changes in the number of troops and other parameters of the Mission.

6. The Advisory Committee notes from paragraphs 11 and 12 of annex II.B that a provision of $9.2 million has been obligated for reimbursement to troop-contributing Governments for the use of contingent-owned vehicles and other equipment and a provision of $1.5 million has been obligated to cover potential claims from death, disability and injury to military personnel and civilian police observers. The Advisory Committee was informed, upon inquiry, that the total number of claims received as at 10 October 1997 in connection with UNAVEM III was 19, consisting of 6 fatalities, 11 injuries and 2 illnesses. The Advisory Committee requests that the Secretary-General include detailed information in future performance reports on the assumption used in estimating amounts obligated under contingent-owned equipment and under death and disability compensation.

7. In connection with additional requirements of $1,679,300 under the budget line "Rental of premises" referred to in annex II.B, paragraph 26, the representatives of the Secretary-General clarified, upon inquiry, that part of the additional requirements was a result of the fact that the United Nations could not rent prefabricated units from a commercial construction company owing

to financial difficulties of the company. The Advisory Committee was informed that since the United Nations was not in formal contract with the company, it could not claim any compensation for additional expenses resulting from the need to rent other residential accommodation.

8. In paragraph 8 of the performance report, the Secretary-General indicates that the action that the General Assembly may wish to take in connection with the financing of UNAVEM III for the period from 1 January to 30 June 1996 is a decision to credit Member States the unencumbered balance of $18.9 million gross for the period from 1 January to 30 June 1996. The Advisory Committee has no objection to the proposal of the Secretary-General. The Advisory Committee recalls that in its resolutions 45/269 of 27 August 1991 and 49/227 B of 20 July 1995, the Assembly decided to continue to use the Special Account originally established for UNAVEM, pursuant to its resolution 43/231 of 16 February 1989, for the financing of UNAVEM II and UNAVEM III. In this connection, the Advisory Committee was informed that the financial management and administration of the Verification Mission had always been based on the maintenance of one account and that with the establishment of UNAVEM II and UNAVEM III, assets from previous operation were utilized for the operation of the successor mission.

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9. The report of the Secretary-General in documents A/52/385 and Corr.1 contains the proposed budget for the operation of MONUA for the period from 1 July 1997 to 30 June 1998 in the amount of $162.1 million gross, which includes requirements for the phased drawdown of UNAVEM III.

10. UNAVEM III was established by the Security Council in its resolution 1118 (1997) of 30 June 1997 for an initial period of four months until 31 October 1997. In paragraph 4 of the same resolution, the Council decided that MONUA would assume responsibility for all components and assets of UNAVEM III remaining in Angola, including formed military units, to deploy as appropriate until they were withdrawn. In that connection, the Advisory Committee notes the proposal of the Secretary-General in paragraph 20 (d) of his report (A/52/385). The representatives of the Secretary-General informed the Advisory Committee, upon inquiry, that the activities related to UNAVEM III that were being undertaken under MONUA pertained to the repatriation of contingent personnel and their equipment, the phased repatriation of international civilian staff and United Nations Volunteers and the phased drawdown of UNAVEM III, primarily relating to the settlement of claims, the completion of activities of the Property Survey Board and inventories. The Advisory Committee points out in that connection that the budget submission should have identified complete cost estimates of all UNAVEM III activities that are to be carried out by MONUA. The Advisory Committee trusts that the Secretary-General will submit to the General Assembly, on a timely basis, all necessary reports on the closure of UNAVEM III and the disposition of its assets pursuant to Security Council resolution 1118 (1997) and in line with the Secretary-General's proposal in document A/52/385, paragraph 20 (d) (see para. 8 above).

11. According to the Secretary-General, the operational plan for MONUA (see A/52/385, para. 5) provides for the following:

(a) A military component consisting of: 86 military observers to be deployed in seven locations, a military helicopter unit of seven aircraft and 130 personnel to provide air support at the seven mission locations and two medical support units, each consisting of 20 personnel, to be deployed at mission headquarters and in the central region of Huambo;

(b) A civilian component of 345 civilian police observers to be deployed in 43 team sites, 7 of which will be co-located with military observers in Luanda and six regional headquarters;

(c) A human rights component, with two monitors in most of the 18 provinces in Angola;

(d) A political affairs component, to be deployed in most of the 18 provinces in Angola with senior officers stationed in the six regional headquarters to serve as coordinators for all related activities;

(e) An administrative component, located at mission headquarters in Luanda.

12. The Advisory Committee points out, however, that the above operational plan should have reflected the fact that the Secretary-General, in paragraph 17 of his report of 13 August 1997 to the Security Council (S/1997/640) informed the Council of his decision to adjust, in view of the serious deterioration of the military situation on the ground, the drawdown of the Mission's military units, as a result of which it was envisaged that MONUA would retain some 2,650 military personnel until the end of October. As can be seen from annex II.B to the Secretary-General's report (A/52/385), the strength of the military contingent of MONUA will be gradually reduced during the period from July 1997 (3,656) to December 1997 (1,015) to reach its level of 170 reflected in the operational plan in A/52/385, paragraph 5, only in January 1998.

13. As indicated in paragraph 14 of document A/52/385, the proposed budget for MONUA for the period from 1 July 1997 to 30 June 1998, which is estimated at $162.1 million gross, reflects the transition of UNAVEM III to MONUA and provides for the repatriation of 167 military observers, 3,486 contingent personnel, 86 international and 69 local staff and 6 United Nations Volunteers during the period from 1 July 1997 to 30 June 1998. It also provides for the emplacement of an additional 57 civilian police by 1 October 1997. Upon completion of the transition from UNAVEM III, the deployment of MONUA as at 1 May 1998 will be comprised of 86 military observers, 170 contingent personnel, 345 civilian police observers, 242 international staff, 163 local staff and 65 United Nations Volunteers.

14. The Advisory Committee points out, in this connection, that the proposed reduction (from 631 to 470, or about 25 per cent) in the civilian establishment of the mission (international staff, local staff and United Nations Volunteers) is far from being commensurate with the reduction (from 3,909 to 256, or more than 90 per cent) in its military component (military observers and

contingents). In the absence of any justification or rationale for the proposed civilian establishment of the mission, the Advisory Committee recommends that the estimates of a total of $40.3 million under budget lines 2 (b) and 2 (d) be reduced by at least 10 per cent (see para. 22 below).

15. The Secretary-General's report (A/53/385) does not provide adequate justification for the proposals to establish international staff, local staff and United Nations Volunteers, nor does it provide a description of functions to be performed by these staff. Furthermore, the proposed staffing table reflects, as can be seen from annex IV to document A/53/385, a number of significant changes that are not explained and justified. For example, the proposed staffing table for the Office of the Special Representative of the Secretary-General provides, inter alia, for the establishment of an Assistant Secretary-General post for a deputy Special Representative of the Secretary-General and the abolition of a D-2 post for an executive director; in the view of the Advisory Committee, this proposal can be considered as a de facto reclassification, given the absence of any substantive justification for the new functions at the Assistant Secretary-General level. Moreover, while the Human Rights Division and Division of Administration are currently headed by staff at the P-5 level, the proposed staffing table provides for these divisions to be headed by staff at the D-1 level; this, in the view of the Advisory Committee, is a reclassification. The Advisory Committee is not convinced of any of these proposals and recommends that the status quo be maintained.

16. The Advisory Committee also notes from the proposed staffing table in annex IV that an Assistant Secretary-General post of Force Commander is to be abolished and a D-2 post of Chief Military Officer is to be established; moreover, a P-5 post of Police Commissioner is to be upgraded to the D-1 level. The Committee points out that the Secretary-General's budget submission for MONUA should have contained an explanation of why the military component of the Mission (86 military observers and 170 logistic/support personnel) should be headed at the D-2 level, while the civilian police component (345 police observers) should be headed at the D-1 level.

17. With regard to the proposed requirements of $2,016,900 under travel costs for the emplacement travel of 57 additional police observers and for one rotation of 345 civilian police (see A/52/385, annex II.D, para. 14), the representatives of the Secretary-General confirmed to the Advisory Committee, upon request, that no provision would be required for the rotation of 57 additional police observers to be deployed by 30 September 1997. The corresponding reduction in the cost estimates is $307,800.

18. With regard to the proposed travel programme, the Advisory Committee was not presented with convincing justification for travel of staff from Headquarters in New York to the Mission in Luanda for administrative consultations and for technical assistance on finance and related matters. The Advisory Committee also questions the rationale for sending a whole team of six persons from the Mission to Headquarters in New York and to Harare in connection with lessons-learned activities; in the view of the Advisory Committee, this should be done much more economically.

19. The Advisory Committee notes from paragraph 26 of the report (A/52/385, annex II.D) that premises for regional headquarters offices, provincial offices and team sites are provided by the host Government to MONUA at no cost in the context of the status-of-forces agreement. The Advisory Committee requests, in this connection, that the Secretariat indicate in future budget submissions the estimated cost of all contributions of host Governments under the status-of-forces agreement (see also A/50/814, para. 8).

20. The Advisory Committee notes a sharp increase (over 40 per cent) in requirements for leasing seven helicopters, compared with the period 1 July 1996 to 30 June 1997. As indicated in paragraph 39 of the report (A/52/385, annex II.D), the requirements reflect an increase in the hourly cost from $890 for the prior period ending 30 June 1997 to $1,200. The Advisory Committee is of the view that the hourly cost for helicopter operations is too high and it requests, therefore, that measures be taken to renegotiate the cost of leasing helicopters for the Mission.

21. In connection with the estimated requirements of $111,000 for the purchase of 10 additional generators (see A/52/385, annex II.D, para. 57) the Advisory Committee was informed, upon inquiry, that it will be possible to transfer generators from the United Nations Observer Mission in Liberia and that the resulting reduction in the estimated requirements is $99,100.

22. In paragraph 20 of his report (A/52/385), the Secretary-General indicates the actions which the General Assembly may wish to take in connection with the financing of MONUA. The corrigendum to the report (A/52/385/Corr.1), although not revising the overall appropriation of $162,138,000 gross proposed by the Secretary-General, reflects an update to the proposed schedule of assessments. In view of its comments and recommendations in paragraphs 14, 15, 17, 18, 20 and 21 above, the Advisory Committee is of the opinion that the Secretary-General's estimates of $162.1 million gross can be reduced to $155.0 million gross. Accordingly, the Advisory Committee recommends that the General Assembly appropriate the amount of $155,000,000 gross for the operation of MONUA during the period from 1 July 1997 to 30 June 1998, inclusive of the amount of $49,975,500 gross authorized by the Advisory Committee for the period from 1 July to 31 October 1997, in accordance with Assembly resolution 49/233 A of 23 December 1994. The Advisory Committee has no objection to the proposal of the Secretary-General in paragraph 20 (d) of his report (A/52/385) that the Assembly authorize the use by MONUA of the Special Account established for UNAVEM.

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Corrigendum

Page 3, paragraph 10, first sentence

For UNAVEM III read MONUA

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